

Chairman Lowell Johnson called the regularly scheduled meeting to order at 10:02 a.m. with Commissioners Lowell Johnson, Rod Johnson, Landis and Vap present and Commissioner Boyle excused.

#### GENERAL ADMINISTRATION

Notice was duly published May 2, 2006 on Page 8 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held May 10, 2006 at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

#### Thursday, May 11, 2006:

1:30            Commission Hearing Room, Lincoln. Workshop  
Topic: Natural Gas Revenue Decoupling, presented by Ann O'Hara.

#### Monday, May 15, 2006:

NUSF-26        Commission Library, Lincoln.  
2:00            In the Matter of the Commission, on its own motion, seeking to establish a long-term universal service funding mechanism. Commissioner Vap presiding as Hearing Officer.

#### COMMUNICATIONS DEPARTMENT

C-3559/        In the Matter of the Commission, on its own motion, seeking  
DC-72        filing of the 2005 Annual Report : Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter an order to show cause against telecommunications companies for failure to file the 2005 Annual Report. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

C-3561        In the Matter of Verizon Business, Clinton, Mississippi, requesting cancellation of MCI Network Services, Inc., Clinton, Mississippi, Certificate of Public Convenience and Necessity and for cancellation of tariff: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3568        In the Matter of CTC Communications Group, Inc., CTC Communications Corp., and Choice One Communications, Inc., Waltham, Massachusetts, seeking approval of a change in ownership of an authorized telecommunications provider in connection with a merger transaction: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Landis and Vap voting AYE, and Commissioner Boyle excused not voting.

C-3570        In the Matter of Integra Telecom Holdings, Inc., Portland, Oregon, seeking approval of a transfer of control of Electric Lightwave, LLC, Vancouver, Washington: Motion made by Commissioner Rod Johnson, seconded by Commissioner Frank Landis, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE and Commissioner Anne Boyle excused not voting.

C-3573        In the Matter of Great Plains Broadband, Inc., Blair, seeking authority to provide facilities-based competitive local exchange telecommunications services within the state of Nebraska: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order nunc pro tunc. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

C-3560        In the Matter of Qwest Corporation, Denver, Colorado, seeking a Qwest Digital Subscriber Line Amendment to the interconnection agreement with Orbitcom, Inc., Sioux Falls, South Dakota, previously granted in C-2867: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order to approve the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

C-3562        In the Matter of Qwest Corporation, Denver, Colorado, filing under protest of the Commercial Agreement with Ernest Communications, Inc., Norcross, Georgia, for Provision Qwest Platform Plus Service (QPP): Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order to approve the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

C-3563        In the Matter of Qwest Corporation, Denver, Colorado, seeking a wireline interconnection agreement with Ernest Communications, Inc., Norcross, Georgia: Motion made by Commissioner Vap, seconded by Commissioner Rod Johnson, to enter an order to approve the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Landis and Vap voting AYE and Commissioner Anne Boyle excused not voting.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3565        In the Matter of Qwest Corporation, Denver, Colorado, seeking an Expedite Requests Amendment to an interconnection agreement with FiberCom, LLC, Sioux City, Iowa, previously approved in C-2610: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order to approve the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

C-3572        In the Matter of Qwest Corporation, Denver, Colorado, seeking a Triennial Review Remand Order ("TRRO") amendment to an interconnection agreement with XO Communications Services, Inc., previously approved in C-3090: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order to approve the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

C-3574        In the Matter of Qwest Corporation, Denver, Colorado, seeking Paging Type 1 and Type 2 interconnection agreements with ATS Mobile Telephone, Inc., Omaha: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order to approve the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

E-2112        In the Matter of Loup River Public Power District, Columbus seeking authority to construct, operate and maintain an electric transmission line in Boone County: Motion made by Commissioner Rod Johnson, seconded by Commissioner Frank Landis, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

E-2113        In the Matter of Loup River Public Power District, Columbus seeking authority to construct, operate and maintain an electric transmission line in Boone County: Motion made by Commissioner Rod Johnson, seconded by Commissioner Frank Landis, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

E-2114        In the Matter of Loup River Public Power District, Columbus seeking authority to construct, operate and maintain an electric transmission line in Platte County: Motion made by Commissioner Rod Johnson, seconded by Commissioner Frank Landis, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

COMMUNICATIONS DEPARTMENT (Cont.)

DC-71/ In the Matter of Maurice Gene Hand, Director, Communica-  
NUSF-53 tions Department and Jeffrey L. Pursley, Director, Univer-  
sal Service Fund Department, Complainants, v. Qwest  
Corporation, Respondent: Gene Hand informed the Commission that a  
hearing was scheduled by hearing officer order for July 20, 2006, at  
3:00 p.m. at the Holiday Inn Express, Meeting Room, 803 East US  
Highway 20, Valentine.

C-3587 In the Matter of Scott and Laci Dinkler, Bladen, currently  
residing in, but not receiving service from, the Red Cloud  
exchange of the Great Plains Telephone Company, Blair, seeking author-  
ity to receive telephone service from the Bladen exchange of the Glen-  
wood Telephone Company, Blue Hill: Gene Hand informed the Commission  
the application has been filed and noticed.

Gene Hand reported on the activity of the Collaborative  
Aggregation Partnership (CAP) related to the enactment of LB 1208.

UNIVERSAL SERVICE FUND

NUSF-4 In the Matter of the Commission, on its own motion, seeking  
to determine the level of the fund necessary to carry out  
the Nebraska Telecommunications Universal Service Fund Act beginning  
July 1, 2006. Motion made by Commissioner Jerry Vap, seconded by  
Commissioner Frank Landis, to enter an order scheduling a hearing for  
June 6, 2006 at 1:30 p.m. in the Commission Hearing Room, Lincoln.  
Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank  
Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused  
not voting. Commissioner Rod Johnson was appointed Hearing Officer.

NUSF-1 In the Matter of the Commission, on its own motion, seeking  
P.O.#7 to establish guidelines for administration of the Universal  
Service Fund: Jeff Pursley discussed the variance reported  
in Western Wireless' 2004 Remittance Worksheet Audit.

DC-71/ In the Matter of Maurice Gene Hand, Director, Communi-  
NUSF-53 cations Department, and Jeffrey L. Pursley, Director,  
Universal Service Fund Department, Complainants, v. Qwest  
Corporation, Respondent. Commissioner Vap presiding as Hearing  
Officer: Jeff Pursley reported on the Hearing Officer's Order dated  
May 5, 2006, scheduling a hearing for July 20, 2006 at 3:00 p.m. at  
the Holiday Inn Express, Meeting Room, 803 East US Highway 20,  
Valentine.

UNIVERSAL SERVICE FUND (Cont.)

Jeff Pursley reported on the Late-Filed Carrier Remittances. Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to levy a late fee against Bell Atlantic Communications, Arlington, Virginia, for the March 2006 late-filed worksheet. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

E911 DEPARTMENT

Joan Raffety informed the Commission of the upcoming Nebraska Wireless E911 Advisory Board meeting scheduled for Tuesday, May 30, 2006, at 12:00 p.m. in the Commission Library, 300 The Atrium, 1200 N Street, Lincoln.

NATURAL GAS DEPARTMENT

NG-0004.1 In the Matter of Aquila, Inc., d/b/a Aquila Networks (Aquila), Omaha, seeking a waiver of the 30-day notice period under *Neb. Rev. Stat.* 66-1854 and to recover the gas cost portion of uncollectible accounts through its Gas Cost Adjustment tariff. Frank Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter Assessment Order No. DB-001. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

NG-0023.1 In the Matter of Kinder Morgan, Inc., Lakewood, Colorado, seeking approval of a plan of action to implement supply cost adjustment associated with Other Services Charge applicable to Nebraska Rate Schedules CGS (Choice Gas Service), ACGS-NSS (Agricultural Choice Gas Service Non-Seasonal Service), and ACGS-SS (Agricultural Choice Gas Service Seasonal Service). Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter Assessment Order No. DB-001. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

NG-0031 In the Matter of Aquila, Inc., d/b/a Aquila Networks, (Aquila), Omaha, seeking authority for Limited Cost Recovery in the State of Nebraska. Commissioner Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter Assessment Order No. DB-001. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

NATURAL GAS DEPARTMENT (Cont.)

NG-0034 In the Matter of Aquila, Inc., d/b/a Aquila Networks, (Aquila), Omaha, seeking authority for Gas Cost Adjustment "Fixed Price Option Pilot Program" for residential customers in all Aquila rate areas in the state of Nebraska. Commissioner Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson to enter Assessment Order No. DB-001. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

NG-0023.2 In the Matter of Kinder Morgan, Inc., Lakewood, Colorado, seeking approval of proposed change in rates to be charged to jurisdictional residential and commercial customers located in Nebraska Rate Areas 1-11 and served under Rate Schedules CGS (Choice Gas Service), ACGS-NSS (Agricultural Choice Gas Service Non-Seasonal Service), and ACGS-SS (Agricultural Choice Gas Service Seasonal Service): Laura Demman reported on the Kinder Morgan tariff filing with the requested effective date of June 1, 2006.

TRANSPORTATION DEPARTMENT

B-1665 In the Matter of Jim Blundell, d/b/a MG Taxi, York, seeking authority to waive the rule regarding the use of sedans as taxicabs: Motion made by Commissioner Rod Johnson, seconded by Commissioner Jerry Vap, to enter an order granting the application for waiver. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

M-14179 In the Matter of A-1 Relocation, d/b/a Lincoln Moving Services, Lincoln, seeking authority to suspend the authority in Certificate M-14179 until November 10, 2006: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter an order granting the suspension until November 10, 2006. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

Rate Division

BR-314 In the Matter of MAVM Ventures, Inc., d/b/a A & B Shuttle, Omaha, seeking authority to amend its open class rates for its use: Motion made by Commissioner Rod Johnson, seconded by Commissioner Jerry Vap, to enter an order denying the application on an emergency basis. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

TRANSPORTATION DEPARTMENT (Cont.)

MR-930        In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was retained at 70 cents per mile.

GRAIN WAREHOUSE DEPARTMENT

GW-19        In the Matter of J. E. Meuret Grain Co., Inc., Brunswick, seeking to buy the grain represented on lost receipts B683250 and B683251 issued to Mike Gubbles: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to grant the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

GW-19        In the Matter of J. E. Meuret Grain Co., Inc., Brunswick, seeking to buy the grain represented on lost receipt 4970 and 4971 issued to David Ziems: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to grant the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

GW-1871      In the Matter of Hergert Grain, Inc., Scottsbluff, seeking a \$25,000.00 deductible on its stock insurance: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

GW-2159      In the Matter of John A. Fecht, Director Grain Warehouse  
GWC-416      Department, Complainant, v. J & R Grain, Inc., Meadow Grove, Defendant: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis to enter an order dismissing the complaint and canceling the hearing previously scheduled for May 31, 2006. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

Grain Dealer Division

GDC-414      In the Matter of John A. Fecht, Director Grain Warehouse Department, Complainant, v. Integrated Ag. Management, LLC, Scandia, Kansas, Defendant: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order approving a stipulation and dismissing the complaint. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

GRAIN WAREHOUSE DEPARTMENT Cont.)

GD-419        In the Matter of Farmers Union Cooperative Association of  
                 Wolbach, Nebraska, Wolbach, seeking a Grain Dealer License,  
subject to the fulfillment of all statutory requirements, for the  
license period ending March 31, 2007. Motion made by Commissioner  
Jerry Vap, seconded by Commissioner Frank Landis, to enter an order  
granting the application. Motion passed with Commissioners Lowell  
Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and  
Commissioner Anne Boyle excused not voting.

GENERAL ADMINISTRATION

              Motion made by Commissioner Jerry Vap, seconded by Commis-  
sioner Rod Johnson, to approve the following Commission invoices.  
Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank  
Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused  
not voting.

Ted Burkey	\$	1,810.00
Voyager		1,300.93
Kent Pribyl		727.65

              Upon agreement of all Commissioners present, authorization  
was granted for Joan Raffety to attend the Midwest Prepared Conference  
sponsored by Sprint to be held in Kansas City, Missouri from May 17-  
18, 2006.

              Upon agreement of all Commissioners present, authorization  
was granted for Tim Sandusky and Scott Elston to travel to St. Louis,  
Missouri, to attend the Federal Railroad Administration (FRA) Region 6  
Conference to be held from June 12-16, 2006, with all expenses to be  
paid by the FRA.

              Upon agreement of all Commissioners present, authorization  
for Tim Sandusky to travel to Nashville, Tennessee, to attend the  
Association of State Rail Safety Program Managers from July 17-21,  
2006, with all expenses to be paid by the Federal Railroad  
Administration.

              Motion made by Commissioner Jerry Vap, seconded by Commis-  
sioner Rod Johnson, to approve the contract with Ann O'Hara to conduct  
a natural gas revenue decoupling workshop on May 11, 2006. Motion  
passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis  
and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not  
voting.



GENERAL ADMINISTRATION (Cont.)

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to go into closed session to discuss personnel and investigatory matters. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting. The Commission went into closed session at 10:41 a.m.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to return to open session. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting. The Commission returned to open session at 10:45 a.m.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to approve the Executive Director's recommendation to reorganize the Wireless E911 program. Under the approved recommendation, the Commission's current Wireless E911 Department and Nebraska Universal Service Fund Department will be folded into a new umbrella department known as the Nebraska Telecommunications Infrastructure and Public Safety (NTIPS) Department. The new NTIPS Department will comprise four programs: 1) High Cost Program; 2) Nebraska Telephone Assistance Program; 3) Tele-Health Program; and 4) Wireless E911 Program. Jeff Pursley was appointed Director of the NTIPS Department, with Brandy Zierott appointed Administrative Assistant for the Department. Within the Wireless E911 Program, Joan Raffety was appointed E911 Coordinator and Angela Melton was appointed E911 Policy Advisor, retaining also her current position as Legal Counsel for the Commission. All of the above changes become effective July 1, 2006. Upon the recommendation of the Executive Director, the Commission also opened the position of E911 Technical Specialist within the Wireless E911 Program, to be filled on or after July 1, 2006. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Anne Boyle excused not voting.

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The meeting adjourned at 11:00 a.m. with Commissioners Lowell Johnson, Rod Johnson, Landis and Vap present and Commissioner Boyle excused. The next regularly scheduled meeting will be held on May 16, 2006, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on May 15, 2006.

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Chairman

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Executive Director